

## PRICE AGREEMENT

THIS PRICE AGREEMENT is made and entered into between the Division of Administration, State of Louisiana, herein after referred to as "DOA", and United Parcel Service, Inc., an Ohio corporation, herein after referred to as "Contractor" or "UPS".

IT IS MUTUALLY AGREED BETWEEN THE PARTIES:

### 1. Definitions .

A. "Agreement Administrator" means the individual appointed by the DOA to administer the Price Agreement.

B. "Agency" means an agency of the executive, legislative or judicial branches of Louisiana, including institutions of higher education.

C. "Purchase Order" means a shipping manifest or other source document which specifies the services to be performed by Contractor under the terms of this Price Agreement.

D. "Services Schedule" refers to the *UPS Rate and Service Guide* (included with Price Agreement, effective January 3, 2005 and updated annually), which includes a list of services offered under this Price Agreement; Attachment B, *UPS Air and Ground Incentive Program*; and, Attachment C, *UPS Mail Innovations Program*.

E. "Local public bodies" means every political subdivision of the State of Louisiana, including municipalities, counties, and school districts.

F. "Price Agreement" means a definite quantity contract or an indefinite quantity contract which requires Contractor to furnish services to the Procuring Agency upon the issuance of a Purchase Order by the Procuring Agency, so long as the Purchase Order is within quantity limitations of the Price Agreement, if any.

G. "Procuring Agency" means any agency or local public body that chooses to procure services under this Price Agreement.

2. **Scope of Price Agreement.** Any Louisiana agency or local public body, with a valid UPS shipper number listed in Attachment A and if authorized by law, may issue Purchase Orders for services included in the Services Schedule. The terms and conditions of this Price Agreement shall form a part of the Purchase Order issued hereunder. DOA is only a party to any Purchase Order issued by DOA as the Procuring Agency. It is understood and agreed upon that no guarantee or warranty is made or implied, by either DOA or the Procuring Agency, that any Purchase Order for any definite quantity shall be issued under the Price Agreement. The Contractor shall furnish the services in accordance with the terms and condition of this Price Agreement and the *UPS Rate and Service Guide*, the *UPS Air and Ground Incentive Program* and the *UPS Mail Innovations Program* in effect at the time of shipping (all of which are incorporated herein by reference) for the quantity of each Purchase Order issued.

3. **Services Schedule.** Prices for services available under this Price Agreement are listed in Attachment B – *UPS Air and Ground Incentive Program* and Attachment C – *UPS Mail Innovations Program*.
4. **Acquisition of Services.** A Procuring Agency may purchase any service listed in the *UPS Rate and Service Guide* and the *UPS Mail Innovations Program and Website* in effect at the time of shipping at the prices stated in Attachment B, which is attached and incorporated herein by reference, and the Website <http://www.upsmailinnovations.com>.
5. **Orders and Shipping Instructions.**
  - A. Acceptance- acceptance or rejection of the products shall be made pursuant to the Louisiana Procurement Code and Title 34; Part I, Subpart 1., Chapters 3 to 21 and Chapter 33.
  - B. Invoices- Contractor's invoice shall be submitted and shall contain the following information: order number, description of products or services, quantities, unit prices and extended totals. Invoices must be submitted to the Procuring Agency and NOT THE DOA, unless the DOA is also the Procuring Agency. An invoice (bill) shall be printed and mailed to the Procuring Agency weekly.
  - C. Payment of Invoices- Upon acceptance of the services in accordance with Section 5(A) above, an invoice (bill) shall be printed and mailed weekly. Payment is due to Contractor within seven (7) days from the receipt of the bill. If the payment is made by mail, the payment shall be deemed tendered on the date it is postmarked. After the one hundred and fifth (105) day from the due date a late payment fee shall apply on the unpaid balance due to Contractor at the rate specified in Louisiana Revised Statute 13:4202; Section B.(1) and listed in Attachment B; but, not to exceed six percent (6.0%). [Currently, the rate of judicial interest is 6% and is applicable until October 31, 2006.] If a state agency fails to make any payment due to UPS within one hundred and five (105) days of the due date prescribed by the agreement, the state agency shall pay the appropriate fee in addition to the payment.
  - D. Payment of Taxes- The prices indicated in Attachment B – *UPS Air and Ground Incentive Program* and Attachment C – *UPS Mail Innovations Program* do not include gross receipt tax or local option taxes. Such tax or taxes, if applicable, shall be added at the time of invoicing at the current rate and shown as a separate item to be paid by the Procuring Agency as stated in this Price Agreement. Procuring Agency shall only reimburse Contractor for gross receipts taxes or local option taxes whichever is applicable. If the Procuring Agency is exempt from the Louisiana gross receipts tax or local option taxes for the transaction, the Procuring Agency shall provide the Contractor of written evidence of such exemption(s). The payment of taxes for any money received under the Price Agreement shall be the Contractor's sole responsibility and should be reported under the Contractor's federal and state tax identification number. The Procuring Agency shall not reimburse the Contractor for any penalty or interest assessed against any taxes owed.
6. **Term.** THIS PRICE AGREEMENT SHALL NOT BECOME EFFECTIVE UNTIL APPROVED IN WRITING BY THE DOA AND ANY APPLICABLE APPROVAL

AUTHORITIES. This Price Agreement shall begin on the date approved by the DOA and any applicable approval authorities and end (1) year from the date of approval. The DOA reserves the right to renew the Price Agreement, subject to Contractor's mutual agreement, on an annual basis provided that in no event shall this Price Agreement, including all renewals, exceed five (5) calendar years (60 Months) in duration.

**7. Termination.**

A. For Convenience- This Price Agreement may be terminated by either signing party upon written notice to the other at least thirty (30) days in advance of the date of the termination. Notice of termination of the Price Agreement SHALL NOT AFFECT ANY OUTSTANDING ORDERS AND INVOICES.

B. For Cause- Either signing party may terminate this Price Agreement for cause based upon a material breach of any term or condition of this Price Agreement, provided that the non-breaching party shall give the breaching party written notice specifying the breach and shall afford the breaching party a reasonable opportunity to correct the breach. If within thirty (30) days after receipt of notice of breach, the breaching party has not corrected the breach or, in the case of a breach which cannot be corrected in thirty (30) days, begun in good faith to correct the breach, the non-breaching party may declare the breaching party in default and terminate the contract immediately. The non-breaching party shall retain any and all remedies available to it under law. However, no party shall be liable for special or consequential damages as a result of a breach of this Price Agreement.

8. **Amendment.** This Price Agreement shall only be amended by written instrument executed by the signing parties. Any amendment shall not be applicable to outstanding Purchase Orders issued prior to the Effective Date of the amendment.
9. **Subcontracting.** Contractor may subcontract any portion of any services to be performed under this Price Agreement to its affiliates and subsidiaries. In such case, Contractor will remain fully responsible for performance under this Price Agreement.
10. **Status of Contractor.** Contractor and Contractor's agents and employees are independent contractors and not employees of the State of Louisiana. Contractor and Contractor's agents and employees shall not, as a result of this Price Agreement or any Purchase Order written under it, accrue leave, retirement, insurance, bonding, use of state vehicles or any benefits afforded to employees of the State of Louisiana. Contractor acknowledges that any sums received are reportable by it for income tax purposes as business income.
11. **Non-Collusion.** In signing this Price Agreement, Contractor certifies that it has not directly or indirectly, entered into any action in restraint of free competitive bidding in connection with this offer submitted to the DOA.
12. **Records of Audit.** During the term of this Price Agreement and for three years thereafter, Contractor shall maintain summary detail records pertaining to the services rendered and/or the products delivered. These records shall be subject to inspection by the Procuring Agency, the DOA, the State Auditor, the Louisiana Department of Administration and other appropriate Louisiana State and federal authorities. The Procuring Agency and the DOA shall have the right to audit invoices (billings) before and after payment. Payment under this

Purchase Agreement or Purchase Order shall not foreclose the right of the State of Louisiana to recover excessive or illegal payments.

13. **Appropriations.** The terms of this Price Agreement and any Purchase Order placed pursuant to it are contingent upon sufficient appropriations and authorization being made by the legislature of Louisiana for their performance. If sufficient appropriations and authorization are not made by the legislature, Purchase Orders placed under it shall terminate upon written notice being given by the Procuring Agency to Contractor. The Procuring Agency's decision as to whether sufficient appropriations are available shall be accepted by Contractor and shall be final and binding.
14. **Release.** Contractor, upon final payment of the correct amount due under this Price Agreement, releases the DOA, the Procuring Agency, its officers and employees and the State of Louisiana from all liabilities, claims and obligations whatsoever arising from or under this Price Agreement or Purchase Order issued under it. Contractor agrees not to purport to bind the State of Louisiana, unless Contractor has express written authority to do so, and then only within the strict limits of that authority.
15. **Confidentiality.** Any confidential information provided or developed by UPS or the State of Louisiana in performance of this Price Agreement shall be kept confidential and shall not be made available to any individual or organization by Contractor or the State of Louisiana. All records and other public documents related to this Agreement shall be open to public inspection with the following exceptions: Attachment B – *UPS Air and Ground Incentive Program*. All requests to reveal any and or all of Attachment B – *UPS Air and Ground Incentive Program* will be submitted to the UPS contact listed in Section 28. The UPS contact will have two (2) business days to respond to the appropriate State of Louisiana representative with a decision to allow the release of the requested information or a notification to file an injunction to not allow the release of the requested information.
16. **Conflicts of Interest.** Contractor warrants that Contractor has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with any performance required under this Price Agreement or any Purchase Order issued under it.
17. **Approval of Contractor Representatives.** The DOA reserves the right to request a change in Contractor representatives if the assigned representatives are not, in the opinion of the DOA, adequately serving the needs of the State of Louisiana. However, either party may change its representative (or physical address) by written notice to the other party submitted via carrier for mail delivery. Notices shall be the agent of the sender.
18. **Scope of Agreement.** The Price Agreement incorporates all the agreements, covenants, and understandings between parties hereto concerning the subject matter hereof, and all such agreements, covenants and understandings have been merged into this Price Agreement. No prior agreement or understandings, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Price Agreement.
19. **Equal Employment Opportunity.** Contractor agrees to abide by all applicable federal and state laws, rules and regulations, and executive orders pertaining to Equal Employment Opportunity in the performance of this Price Agreement. In accordance with such laws, rules and regulations, and executive orders Contractor agrees that no person in the United States shall on the grounds of race, color, religion, national origin, sex, sexual orientation, age, political affiliation or disability shall be excluded from employment with or participation in,

be denied the benefits of, or otherwise be subject to discrimination under any program or activity performed by Contractor pursuant to this Price Agreement. If any acts of discrimination are committed by Contractor or Contractor fails to comply with all applicable federal and state laws, rules and regulations, and executive orders in execution of this Price Agreement, the State of Louisiana reserves the right to terminate this Price Agreement if Contractor does not take appropriate steps to correct these deficiencies in accordance with Section 7(B).

20. **Indemnification.** The State of Louisiana has no obligation to indemnify or hold harmless Contractor from all claims, liabilities, losses, damages, etc. Contractor shall be solely responsible for the acts, errors or omissions and negligence of its officer, employees, agents or representatives to the extent provided by law. Contractor acknowledges that neither it nor its employees are agents of the State of Louisiana for liability purposes.
21. **Applicable Law.** This Price Agreement shall be governed by the laws of the State of Louisiana.
22. **Incorporation by Reference and Order of Precedence.** In the event of a dispute under this Price Agreement, the following documents will be referred to for the purpose of clarification or for additional detail in the following order of preference: 1) any amendments to the Price Agreement in reverse chronological order; 2) the Price Agreement, including all Attachments; 3) the *Shipper Numbers*, Attachment A; 4) *UPS Air and Ground Incentive Program*, Attachment B; 5) *UPS Mail Innovations Program*, Attachment C; and, 6) the *UPS Rate and Service Guide and Tariff* in effect at the time of shipping.
23. **Workers' Compensation.** Contractor agrees to comply with all applicable state laws and rules pertaining to workers' compensation benefits for its employees. If Contractor fails to comply with the Workers' Compensation Act and applicable rules when required to do so, this Price Agreement may be terminated in accordance with Section 7(B).
24. **Impracticality of Performance.** A party shall be excused from performance under this Price Agreement for any period that the party is prevented from performing as a result of an act of God, strike, war, civil disturbance, epidemic or court order, provided that the party has prudently and promptly acted to take steps that are within the party's reasonable control to perform. Subject to this provision, such non-performance shall not be deemed a default or a ground for termination.
25. **Invalid Term or Condition.** If any term or condition of this Price Agreement shall be held invalid or unenforceable, the remainder of this Price Agreement shall not be affected and shall be valid and enforceable.
26. **Enforcement of Price Agreement.** A party's failure to require strict performance of any provision of this Price Agreement shall not waive or diminish that party's right thereafter to demand strict compliance with that or any other provision. No waiver by a party of any of its rights under this Price Agreement shall be effective unless express and in writing, and no effective waiver by a party of any of its rights shall be effective to waive any other rights. Any dispute arising out of the specific performance of this Pricing Agreement shall be resolved by the provisions of Attachment D, Louisiana Revised Statute 39:1673, and subject to future revisions.

27. **Survival.** The section of the Price Agreement titled "indemnification" shall survive the expiration or termination of this Price Agreement. All other sections, Attachments, Addenda, covenants and understandings shall not survive the expiration or termination of this Price Agreement.
28. **Notification.** Either party may give written notice to the other party in accordance with the terms of this section. Any notice required or permitted to be given hereunder shall be deemed to have been given on the date of delivery by personal service or hand delivery or three (3) business days after being mailed.

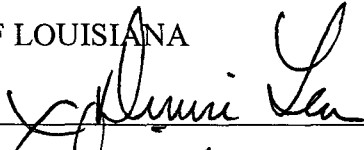
If to DOA: Denise Lea, Director  
Office of State Purchasing  
Office Address: 1201 North Third Street, Suite 2-160  
P.O. Box 94095  
Baton Rouge, LA 70804-9095  
(225) 342-8057 (voice)  
(225) 342-8688 (fax)

If to UPS: Bob Topel, Director and/or  
Leo Doyle, Manager  
GSO District Office  
Office Address: 151 Brookhollow Esp.  
Harahan, LA 70123  
(504) 734-6630 or (504) 734-6660


29. **Succession.** This Price Agreement shall extend to and be binding upon the successors and/or assigns of the parties.
30. **Non-Exclusivity.** This Price Agreement is non-exclusive and shall not in any way preclude the DOA from entering into similar arrangements or agreements with any other contractor with equal or like services.

IN WITNESS WHEREOF, the parties have executed this Agreement, effective on (insert date) \_\_\_\_\_, 200\_\_ and executed by:

STATE OF LOUISIANA

By:   
Title: Director  
Division of Administration/OSP  
Date: 6/29/05

UPS

By:   
Title: MAJOR ACCOUNT MANAGER  
Date: 6/24/05

## **Attachment A**

### **Shipper Numbers (Account Numbers)**

This Agreement ("Agreement") is made and entered into by and between State of Louisiana ("Customer") and United Parcel Service Inc., an Ohio Company ("UPS"). UPS will provide the pickup and delivery services ("Services") as set forth below subject to the terms of this Pricing Agreement. These Services will be provided with the incentives ("Incentives") as also set forth in Attachment B. These Incentives shall only be available to the locations and account numbers identified in Attachment A. Account numbers of Customer and its affiliates, each of which is more than fifty percent (50.0%) owned by Customer, may be added or deleted only by mutual written agreement of Customer and UPS and require seven (7) business days notice to UPS to become effective.

Customer is prohibited from reselling or offering Incentives to any other party without the prior written consent of UPS and failure to comply with this prohibition may result in immediate cancellation of this Agreement.

#### **List of Account Numbers**

State of Louisiana's UPS accounts identified below shall be included in the agreement between United Parcel Service Inc. (Carrier) and State of Louisiana (Account): The following accounts are eligible for incentives as specified in Attachment B:

##### **ACCOUNT NAME AND ADDRESS Commodity Tier \*\***

###### **Section 1:**

0000F6E738  
LSU ALEXANDRIA  
8100 HWY 71 S  
ALEXANDRIA, LA 71302

00001282AF  
LSU ATHLETIC DEPARTMENT  
ATHLETIC DEPARTMENT BUILDING  
BATON ROUGE, LA 70803

00001737W0  
LSUMC HEALTH SCIENCE BOOKSTORE  
433 BOLIVAR  
NEW ORLEANS, LA 70112

000058881X  
LOUISIANA LOTTERY CORP  
11826 SUN BELT CT  
BATON ROUGE, LA 70809

000070X513  
OFFICE OF STATE MAIL OPER  
1255 BRICKYARD LN  
BATON ROUGE, LA 70802

000070347E  
LA.DEPT OF CORRECTIONS  
504 MAYFLOWER  
BATON ROUGE, LA 70802

0000703985  
LA DEPT OF HEALTH--MAILROOM  
325 LOYOLA AVE  
NEW ORLEANS, LA 70112

0000705925  
DHHR OPH PHARMACY SERVICES  
325 LOYOAL AVE  
NEW ORLEANS, LA 70112

0000707477  
CITY OF LAFAYETTE  
705 W UNIVERSITY  
LAFAYETTE, LA 70506

0000707676  
PRISON ENT ANGOLA  
HIGHWAY 67  
ANGOLA, LA 70712

00007148E1  
LSU MC MICROSYSTEMS  
1901 PERDIDO ST  
NEW ORLEANS, LA 70112

\*If there is an account number for the same service included in another UPS agreement, such account number will be deemed deleted from such other agreement as of the effective date.

\*\* The commodity tier displayed is for Hundredweight outbound prepaid. For other Hundredweight Billing Options (third party, freight collect and consignee billing) please refer to the Hundredweight service contract agreement. The stated commodity tier supersedes applicable provisions in Section 2 of the Hundredweight Service Contract Agreement.



## Attachment B

### UPS Air and Ground Incentive Program

Customer acknowledges and agrees that the Incentives and the minimum rates in this Attachment are based on and derived from the most recently published UPS list rates available at [www.ups.com](http://www.ups.com) and are subject to change based on changes to such list rates. Each eligible package (or shipment) will receive its applicable Incentive for the term of this Agreement. Incentives are applied on a weekly basis unless otherwise specified. Incentives shall be applied to prepaid outbound shipments unless otherwise noted.

Customer agrees to supply the UPS Service Provider with a hard copy summary manifest at the time that the packages are tendered to UPS for shipment and provide UPS with Timely Upload of electronic Package Level Detail ("PLD") in a form acceptable to UPS. PLD includes, but is not limited to, consignee's full name, complete delivery address, package weight and zone.

Timely Upload is defined as the electronic transmission of PLD to UPS at the time the packages are tendered to UPS. Customer agrees to provide smart labels on all packages tendered to UPS.

A smart label,

as defined herein and described in the current UPS Guide to Labeling, which may be updated from time to time by UPS, includes, but is not limited to, a MaxiCode, Postal Bar Code, current UPS Routing Code, appropriate UPS Service Icon and a UPS 1Z Tracking Number Bar Code.

Customer further agrees that all shipping locations will use a UPS OnLine or OnLine compatible shipping solution that is approved and authorized by UPS as such.

This Agreement supersedes all other agreements between the Customer and UPS regarding these Services.

**(Actual incentives and incentive schedules will appear in this section for the executable copy of the agreement. Electronic file copies and copies posted for distribution will not contain the portion of Addendum B, below. For instruction to obtain these specific details of Addendum B refer to Section 15 – Confidentiality, above. UPS reference P660010892-01.)**

#### UPS Next Day Air Letter – Incentive Off Effective Rates

|               |              |
|---------------|--------------|
|               | <b>Zones</b> |
|               | <b>ALL</b>   |
| <b>Letter</b> | 35.3%        |

Commitment levels for UPS Next Day Air Letter Service are at least \$507.37 in gross revenue per week. The incentive shall also be extended to UPS Next Day Air Letter FC Commercial, UPS Next Day Air Letter FC Residential.

### **UPS Next Day Package Service – Incentives Off Effective Rates**

| <b>Weight<br/>(lbs)</b> | <b>Zones</b> |
|-------------------------|--------------|
|                         | <b>ALL</b>   |
| 1 and up                | 34.0%        |

Commitment levels for UPS Next Day Air Package Service are at least \$1,254.66 in gross revenue per week. The incentive shall also be extended to UPS Next Day Air Package FC Commercial, UPS Next Day Air Package FC Residential.

### **UPS Next Day Air Saver Letter Service\* - Incentives Off Effective Rates**

|               | <b>Zones</b> |
|---------------|--------------|
|               | <b>ALL</b>   |
| <b>Letter</b> | 37.7%        |

Commitment levels for UPS Next Day Saver Air Letter Service are at least \$25.30 in gross revenue per week. The incentive shall also be extended to UPS Next Day Air Saver Letter FC Commercial, UPS Next Day Air Saver Letter FC Residential.

\*Shipper agrees to comply with the restrictions required under the Private Express Statute in its UPS Next Day Air Saver, UPS Second Day Air A.M. and UPS Second Day Air letters.

### **UPS Next Day Air Saver Package Service – Incentive Off Effective Rates**

| <b>Weight<br/>(lbs)</b> | <b>Zones</b> |
|-------------------------|--------------|
|                         | <b>ALL</b>   |
| 1 and up                | 36.8%        |

Commitment levels for UPS Next Day Air Saver Package Service are at least \$69.23 in gross revenue per week. The incentive shall also be extended to UPS Next Day Air Saver Package FC Commercial, UPS Next Day Air Saver Package FC Residential.

### **UPS 2<sup>nd</sup> Day Air Letter Service\* - Incentives Off Effective Rates**

|               | <b>Zones</b> |
|---------------|--------------|
|               | <b>ALL</b>   |
| <b>Letter</b> | 25.7%        |

Commitment levels for UPS 2nd Day Air Letter Service are at least \$542.05 in gross revenue per week. The incentive shall also be extended to UPS 2<sup>nd</sup> Day Air Letter FC Commercial, UPS 2nd Day Air Letter FC Residential.

\*Shipper agrees to comply with the restrictions required under the Private Express Statute in its UPS Next Day Air Saver, UPS Second Day Air A.M. and UPS Second Day Air letters.

## UPS 2<sup>nd</sup> Day Air Package Service - Incentives Off Effective Rates

| Weight<br>(lbs) | Zones |
|-----------------|-------|
|                 | ALL   |
| 1 and up        | 36.4% |

Commitment levels for UPS 2nd Day Air Package Service are at least \$118.23 in gross revenue per week. The incentive shall also be extended to UPS 2<sup>nd</sup> Day Air Package FC Commercial, UPS 2<sup>nd</sup> Day Air Package FC Residential.

## UPS Ground Commercial – Incentives Off Effective Rates

| Weight<br>(lbs) | Zones |       |       |       |       |       |       |
|-----------------|-------|-------|-------|-------|-------|-------|-------|
|                 | 2     | 3     | 4     | 5     | 6     | 7     | 8     |
| 1 - 10          | 12.7% | 12.7% | 12.7% | 12.7% | 12.7% | 12.7% | 12.7% |
| 11 - 20         | 15.3% | 15.3% | 15.3% | 15.3% | 15.3% | 15.3% | 15.3% |
| 21 - 70         | 18.3% | 18.3% | 18.3% | 18.3% | 18.3% | 18.3% | 18.3% |
| 71 - 150        | 9.3%  | 9.3%  | 9.3%  | 9.3%  | 9.3%  | 9.3%  | 9.3%  |

Commitment levels for UPS Ground Commercial are at least \$14,801.24 in gross revenue per week. This incentive shall also be extended to UPS Ground Package Commercial Freight Collect.

## UPS Ground Hundredweight Service - Regular Pickup – Incentive Off Effective Rates

| Weight<br>(lbs) | Zones |
|-----------------|-------|
|                 | ALL   |
|                 | 20.0% |

Commitment levels for UPS Ground Hundredweight Service – Regular Pickup are at least \$246.55 in gross revenue per week. This incentive rate supersedes applicable provisions in Section 2 of the Hundredweight Service Contract Agreement.

## Export Worldwide Express Letter – Incentive Off Effective Rates

For shipments listed in the current UPS Rate and Service Guide, an incentive of 40.0% will be applied.

## Export Worldwide Express Document – Incentive Off Effective Rates

For shipments listed in the current UPS Rate and Service Guide, an incentive of 45.0% will be applied.

For each shipment, Customer agrees to pay the greater of the (a) net shipment charge based on the above incentives or (b) the minimum net shipment charge. Minimum net shipment charge is calculated by deducting the applicable amount (by zone) in the table below from the published 1 lb. list rate for the respective service.

| Service: Export Worldwide Express Document - Adjustment Per Shipment Per Zone |         |         |         |         |         |         |         |         |         |         |         |         |
|-------------------------------------------------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 080                                                                           | 081     | 082     | 084     | 900     | 901     | 902     | 903     | 904     | 905     | 906     | 907     | 908     |
| -                                                                             | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       |
| \$20.25                                                                       | \$20.50 | \$21.25 | \$20.25 | \$19.25 | \$23.25 | \$23.50 | \$28.25 | \$27.25 | \$27.25 | \$32.00 | \$40.25 | \$40.75 |

**Export Worldwide Express Package – Incentive Off Effective Rates**

For shipments listed in the current UPS Rate and Service Guide, an incentive of 40.0% will be applied.

For each shipment, Customer agrees to pay the greater of the (a) net shipment charge based on the above incentives or (b) the minimum net shipment charge. Minimum net shipment charge is calculated by deducting the applicable amount (by zone) in the table below from the published 1 lb. list rate for the respective service.

| Service: Export Worldwide Express Package - Adjustment Per Shipment Per Zone |         |         |         |         |         |         |         |         |         |         |         |         |
|------------------------------------------------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 080                                                                          | 081     | 082     | 084     | 900     | 901     | 902     | 903     | 904     | 905     | 906     | 907     | 908     |
| -                                                                            | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       | -       |
| \$17.75                                                                      | \$18.00 | \$18.75 | \$17.75 | \$17.25 | \$19.75 | \$18.75 | \$22.50 | \$20.50 | \$20.50 | \$24.25 | \$34.75 | \$35.25 |

## Attachment C

### UPS Mail Innovations Program

Your shipment(s) with UPS Mail Innovations are subject to the UPS Mail Innovations Terms and Conditions, which are posted on the Internet at <http://www.upsmailinnovations.com>. By signing below, you acknowledge that you have read them and that you understand and agree to them.

UPS Mail Innovations has a security program that has been approved by the Transportation Security Administration (the "Security Program"). As part of the Security Program, please provide the all appropriate information requested. We will use this information to perform a background investigation and credit check on you. By signing below, you authorize us to do so and to disclose the information you provide as reasonably necessary to complete this investigation and credit check. You also agree to update us in writing if any of this information changes. We may share this information with our affiliated companies as part of our background investigation and credit check, and to enable us and them to confirm your identity if you seek shipping services in the future.

We appreciate your patience with our effort to comply with these important requirements of Federal law and apologize for any inconvenience..

By signing below, you acknowledge that you understand and agree to the above.

**STATE OF LOUISIANA, DOA/OSP**

Customer Printed Name

Customer Signature

**Director, Office of State Purchasing  
Division of Administration (DOA)**

**6/29/05**

Date

**Frank J. Cheff**

UPS Mail Innovations Printed Name

UPS Mail Innovations Signature

Date

**6/24/05**

#### *Exhibit A*

#### **STATE OF LOUISIANA/DIVISION OF ADMINISTRATION**

Company Name

**1201 N. Third Street**

Address

**Baton Rouge**

**LA**

**70802**

City

**Denise Lea, Director  
Office of State Purchasing**

State

Zip

**342-8057**

Contact Name

Phone

## **UPS Mail Innovations Program**

**(Actual rate schedules will appear in this section for the executable copy of the agreement. Electronic file copies and copies posted for distribution will not contain the portion of Addendum B, below. For instruction to obtain these specific details of Addendum C refer to Section 15 – Confidentiality, above.)**

These rates represent UPS-Mail Innovations rates available to be used under this Agreement. For specific UPS-Mail Innovations rates please refer to the agency, body or group for each request for information.

**Prepared exclusively for State of Louisiana**

### **Under 1Lb. Rates**

(Non-conforming and one ounce pieces are billed at USPS First-Class® Rate plus a \$0.10 surcharge)

| <b>Weight</b> | <b>UPS-MI</b> |
|---------------|---------------|
| 2 oz.         | \$0.72        |
| 3 oz.         | \$0.72        |
| 4 oz.         | \$0.86        |
| 5 oz.         | \$1.03        |
| 6 oz.         | \$1.15        |
| 7 oz.         | \$1.19        |
| 8 oz.         | \$1.28        |
| 9 oz.         | \$1.35        |
| 10 oz.        | \$1.40        |
| 11 oz.        | \$1.47        |
| 12 oz.        | \$1.58        |
| 13 oz.        | \$1.67        |
| 14 oz.        | \$1.81        |
| 15 oz.        | \$1.81        |
| 15.99 oz      | \$1.81        |

## **Attachment D**

### **Louisiana Revised Statute 39:1695**

§1695. Late payment to business; penalty paid by state agency

A. If a state agency without reasonable cause fails to make any payment due within ninety days of the due date prescribed by contract, to a business awarded a contract with the state agency to supply equipment, supplies, materials, or textbooks, or to provide services, the state agency shall pay, in addition to the payment, interest on the amount due at the rate established pursuant to Civil Code Article 2924(B)(3) per year, from the ninety-first days after the due date prescribed by the contract. In applying this Section to a claim related in any way to an entitlement program, payment for claims shall be due ninety days after a claim is received by the state.

B. If it is determined by the state agency that additional evidence of the validity of the claim for payment is required, such evidence shall be requested within ten working days from the date the bill is received by the state agency. In instances where additional evidence is required, the bill shall be reviewed and payment or rejection made within thirty days from receipt of the evidence requested in the office of the paying agency.

C. Any penalty required to be paid by a state agency pursuant to this Section shall be disbursed upon warrants drawn by the state agency upon that agency's operating expenses budget.

### **Louisiana Revised Statute 13:4202, Section B.(1)**

§4202, Section B.(1). On and after January 1, 2002, the rate shall be equal to the rate as published annually, as set forth below, by the commissioner of financial institutions. The commissioner of financial institutions shall ascertain, on the first business day on October of each year, the Federal Reserve Board of Governors approved "discount rate" published daily in the Wall Street Journal. The effective judicial interest rate for the calendar year following the calculation date shall be three and one-quarter percentage points above the discount rate as ascertained by the commissioner.

### **Louisiana Revised Statute 39:1673**

§1673. Authority to resolve contract and breach of contract controversies

A. Applicability. This Section applies to controversies between the state and a contractor and which arise under or by virtue of a contract between them. This includes without limitation controversies based upon breach of contract, mistake, misrepresentation, or other cause for contract modification or rescission. Any contractor who seeks a remedy with regard to such controversy shall file a complaint with the chief procurement officer.

B. Authority. The chief procurement officer or his designee is authorized, prior to the commencement of an action in court concerning the controversy, to settle and resolve, with the approval of the attorney general, a controversy described in Subsection A of this Section. This authority shall be exercised in accordance with regulations.

## **Attachment D**

(continued)

C. Decision. If such a claim or controversy is not resolved by mutual agreement, the chief procurement officer or his designee shall promptly issue a decision in writing. The decision shall:

- (1) State the reasons for the action taken; and
- (2) Inform the contractor of its right to administrative and judicial review as provided in this Part.

D. Notice of decision. A copy of the decision under Subsection C of this Section shall be mailed or otherwise furnished immediately to the contractor.

E. Finality of decision. The decision under Subsection C of this Section shall be final and conclusive unless:

- (1) The decision is fraudulent; or
- (2) The contractor has timely appealed administratively to the commissioner in accordance with R.S. 39:1685.

F. Failure to render timely decision. If the chief procurement officer or his designee does not issue the written decision required under Subsection C of this Section within sixty days after written request for a final decision, or within such longer period as may be agreed upon by the parties, then the contractor may proceed as if an adverse decision had been received.